

The business of processing damage claims from the April 20, 2010, Deepwater Horizon oil spill is under new management. On June 4, 2012, BP claims czar Kenneth Feinberg was replaced with a federal court-appointed administrator overseeing a new team of claims workers.

For the thousands of businesses and individuals along the Gulf Coast who were on the front lines of the unprecedented 2010 spill, the last two years have only prolonged the pain of their economic loss. While many have received compensation payments for their damages – beginning with the BP claims system and then Mr. Feinberg's Gulf Coast Claims Facility – still a considerable number have fallen through the cracks.

BP's initial claims operation in the months immediately following the spill was slow and uneven. When Mr. Feinberg took over claims processing in August of 2010, he made promises of quick and fair payments for eligible claims. In recent weeks he has admitted that the system he put in place did not meet the expectations that he promised at the outset. If there was one consistency with Mr. Feinberg's claims system it was its inconsistency in processing and approving claims. My staff and I met with many local business owners whose well-documented claims were denied or underpaid with no adequate explanation while similar claims from others were accepted and paid in full.

Dissatisfaction with the GCCF soon caught the attention of the Justice Department, which ordered an independent audit of the GCCF at my request. To no one's surprise, the outside review concluded the claims facility suffered communications failures and made mistakes in applying criteria to all claimants. The auditors determined that some 7,300 claims were "negatively affected" by GCCF decisions.

Last week Patrick Juneau, the administrator of the two-month-old Deepwater Horizon Claims Center, held a press conference in Mobile to discuss the court-ordered claims system's activities to date. Since June, his offices have received nearly 43,000 claims – 6,840 from Alabama. Once his office makes a decision to pay a claim, it issues a "determination letter" to the claimant. He said 1,400 determination letters have been mailed to the Gulf Coast region as of August 1, 2012, with a total value of over \$62 million. More than 450 claimant determination letters have already gone out to Alabama citizens for \$18,255,000.

During a meeting with Mr. Juneau and his staff last week, I made clear that although he has

only been in his new post for two months, many victims of the 2010 oil spill have been waiting for due compensation for more than two years. Mr. Juneau has promised to do what Mr. Feinberg could not – make the claims process transparent and quick. To that end, the new Deepwater Horizon Claims Center's web site offers an on-line applications process which tells applicants up front if they are eligible.

If you have never submitted a claim and you feel you might be eligible, I encourage you to do so. If you submitted a claim and were denied by BP or the GCCF, I encourage you to try again under the new claims center.

You can submit your claim 24 hours a day, 7 days a week at this website: <http://www.deepwaterhorizoneconomicsettlement.com>; or you may call toll-free: 1-866-992-6174. Live operators will take calls from 6:00 a.m. to 10:00 p.m., Monday through Friday (Central Time), and 8:00 a.m. to 5:00 p.m. on Saturdays (Central Time).

### **National Flood Insurance Program Reauthorized:**

The long-awaited reauthorization of the National Flood Insurance Program passed the House and Senate on June 29 and was signed into law by the president on July 6, 2012. Without the legislation, the National Flood Insurance Program's ability to issue new policies would have expired just as an already active hurricane season begins.

The program offers federally-backed flood coverage to homeowners, businesses and renters in flood-prone areas who are unable to obtain such insurance elsewhere. According to the Federal Emergency Management Agency (FEMA), more than 57,000 federally-backed flood insurance policies covering in excess of \$12 billion in property have been issued in Alabama. Over the last three decades, the National Flood Insurance Program has written checks for more than \$950 million in Alabama flood losses – and nearly \$7 million was paid in just the last year.

My staff and I work for you. If we can ever be of service, do not hesitate to call my office toll free at 1-800-288-8721.

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